

AMENDED IN ASSEMBLY APRIL 28, 2009

AMENDED IN ASSEMBLY APRIL 14, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 1142

Introduced by Assembly Member Price

February 27, 2009

An act to amend Sections 14018.2 and 14019.4 of the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

AB 1142, as amended, Price. Medi-Cal: proof of eligibility.

Existing law establishes the Medi-Cal program, which is administered by the State Department of Health Care Services and under which qualified low-income persons receive health care services. Existing law provides that it is the responsibility of the Medi-Cal beneficiary to provide information and evidence of Medi-Cal eligibility to that person's health care provider if that information is requested by the provider prior to rendering services to that beneficiary.

Existing law provides that it is the responsibility of the provider prior to rendering Medi-Cal reimbursable services to persons presenting themselves as Medi-Cal beneficiaries to make a good faith effort to verify the person's identity, if the person is not known to the provider, otherwise payment for those services may later be disallowed by the department.

This bill would provide that it is the responsibility of a hospital, as soon as proof of Medi-Cal eligibility is supplied by a person presenting himself or herself as a Medi-Cal beneficiary, to provide all information regarding that person's Medi-Cal eligibility to certain providers that

bill separately for ~~services rendered to that person during all services associated with the person's treatment in the hospital rendered during~~ the same time period for which the hospital is submitting a claim.

Existing law, the Consumer Credit Reporting Agencies Act, governs the disclosure of consumer credit reports. Existing law prohibits a person furnishing information on a specific transaction or experience to any consumer credit reporting agency if the person knows or should know the information is incomplete or inaccurate.

~~This bill would provide that if a Medi-Cal provider or 3rd-party collection agency receives proof of Medi-Cal coverage for services rendered and then reports the services rendered to a consumer credit reporting agency or fails to correct a negative credit report regarding the services rendered, the provider or agency shall be deemed to be in violation of the above-described provisions.~~

~~This bill would require each Medi-Cal provider to ensure that patient debts that are sold or assigned to a 3rd-party collection agency can and will be recalled by the provider in the event that the services were covered by the Medi-Cal program and that evidence of Medi-Cal coverage could have been obtained by the provider.~~

Existing law prohibits any provider of health care services who obtains a label or copy from the Medi-Cal card or other proof of eligibility from seeking reimbursement or attempting to obtain payment for the cost of the covered health care services from the eligible applicant or recipient, or any person other than the department or a 3rd-party payor who provides a contractual or legal entitlement to health care services.

This bill would require a Medi-Cal provider, if the provider receives proof of a patient's Medi-Cal eligibility and has referred an unpaid bill for services rendered to the patient to a 3rd-party collection agency, to promptly recall the matter from the 3rd-party collection agency and otherwise ensure collection efforts by the 3rd-party collection agency are halted and notify the patient accordingly. The bill would require, commencing July 1, 2010, that all contracts between a 3rd-party collection agency and a Medi-Cal provider or billing service that works on behalf of a Medi-Cal provider to include a provision allowing the Medi-Cal provider to immediately recall a debt from collection pursuant to the aforementioned provisions.

This bill would provide that a provider of health care services who obtains a label or copy from the Medi-Cal card or other proof of eligibility and who *subsequently* attempts to seek reimbursement or to obtain payment for the cost of covered services from the eligible

applicant or recipient or fails to recall a debt, as this bill would require, ~~shall may be subject to~~ *punished with* a fine not to exceed 3 times the amount the provider could otherwise have obtained had the provider of health care services billed the Medi-Cal program.

Existing law, the Consumer Credit Reporting Agencies Act, governs the disclosure of consumer credit reports. Existing law prohibits a person furnishing information on a specific transaction or experience to any consumer credit reporting agency if the person knows or should know the information is incomplete or inaccurate.

This bill would provide that if a Medi-Cal provider or 3rd-party collection agency receives proof of Medi-Cal coverage for services rendered and then reports the services rendered to a consumer credit reporting agency or fails to correct a negative credit report regarding the services rendered, the provider or agency shall be deemed to be in violation of the above-described provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 14018.2 of the Welfare and Institutions
- 2 Code is amended to read:
- 3 14018.2. (a) Reimbursement shall not be denied to any
- 4 qualified health care provider for care rendered to an eligible
- 5 Medi-Cal beneficiary for the sole reason that a proof of eligibility
- 6 label does not accompany the bill.
- 7 Proof of eligibility labels may, however, continue to be used as
- 8 such and shall be made available to an eligible Medi-Cal
- 9 beneficiary through the local office which has determined the
- 10 person's eligibility or through the department. The provider may
- 11 submit machine-reproduced copies of the beneficiary Medi-Cal
- 12 card for billing purposes as long as the copy is made from the
- 13 original unaltered Medi-Cal card under circumstances controlled
- 14 by the provider, for example, on the premises of the provider with
- 15 copying equipment controlled by the provider.
- 16 (b) It shall remain the responsibility of a Medi-Cal beneficiary
- 17 to provide information and evidence of Medi-Cal eligibility,
- 18 restrictions on the eligibility, and non-Medi-Cal health coverage,
- 19 to that person's health care providers, if this information is

1 requested by those providers prior to rendering services to that
2 beneficiary.

3 (c) It shall be the responsibility of the provider prior to rendering
4 Medi-Cal reimbursable services to persons presenting themselves
5 as Medi-Cal beneficiaries to make a good faith effort to verify the
6 person's identity, if the person is not known to the provider, by
7 matching the name and signature on his or her Medi-Cal card
8 against the signature on a valid California driver's license, or
9 California identification card issued by the Department of Motor
10 Vehicles, or another type of picture identification card or other
11 credible document of identification. When the provider verifies
12 the beneficiary's identity with a signed Medi-Cal card and one of
13 the documents described above, the state will deem this to be a
14 good faith effort. If the provider does not make a good faith effort
15 of reasonable identification prior to rendering Medi-Cal
16 reimbursable services and renders services to a presenting person
17 who is ineligible for those Medi-Cal services, payment for those
18 services may later be disallowed.

19 This provision shall not apply to:

- 20 (1) Persons 17 years of age and under.
- 21 (2) Persons in long-term care.
- 22 (3) Persons receiving emergency services.

23 (d) Notwithstanding subdivision (b) of this section, county
24 welfare departments may provide Medi-Cal eligibility information
25 to other governmental agencies and their designated agents as
26 necessary for proper administration of the Medi-Cal program.

27 (e) It shall be the responsibility of a hospital, as soon as proof
28 of Medi-Cal eligibility is supplied by a person presenting himself
29 or herself as a Medi-Cal beneficiary, to provide all information
30 regarding that person's Medi-Cal eligibility to all hospital-based
31 providers, ambulance transportation services providers, providers
32 that provide ambulance transportation services through the "911"
33 emergency response system, and other providers of professional
34 services that bill separately for ~~services rendered to that person~~
35 ~~during the same time period for which the~~ *all services associated*
36 *with the person's treatment in the hospital rendered during the*
37 *same time period for which the* hospital is submitting a claim.

38 (f) For purposes of this section, the following definitions apply:

- 39 (1) "Hospital-based provider" means an anesthesiologist,
40 radiologist, pathologist, emergency room physician, or other

1 physician or a group of physicians providing medical services at
2 the hospital.

3 (2) "Professional services" includes, but is not limited to,
4 diagnostic, laboratory, therapeutic, and radiologic services.

5 SEC. 2. Section 14019.4 of the Welfare and Institutions Code
6 is amended to read:

7 14019.4. (a) Any provider of health care services who obtains
8 a label or copy from the Medi-Cal card or other proof of eligibility
9 pursuant to this chapter shall not seek reimbursement nor attempt
10 to obtain payment for the cost of those covered health care services
11 from the eligible applicant or recipient, or any person other than
12 the department or a third-party payor who provides a contractual
13 or legal entitlement to health care services.

14 (b) Whenever a service or set of services rendered to a Medi-Cal
15 beneficiary results in the submission of a claim in excess of five
16 hundred dollars (\$500), and the beneficiary has given the provider
17 proof of eligibility to receive the service or services, the provider
18 shall issue the beneficiary a receipt to document that appropriate
19 proof of eligibility has been provided. The form and content of
20 those receipts shall be determined by the provider but shall be
21 sufficient to comply with the intent of this subdivision. Nursing
22 facilities and all categories of intermediate care facilities for the
23 developmentally disabled are exempt from the requirements of
24 this subdivision.

25 (c) In addition to being subject to any applicable penalties set
26 forth in law or regulation, a provider of health care services who
27 obtains a label or copy from the Medi-Cal card or other proof of
28 eligibility pursuant to this chapter, and who *subsequently* attempts
29 to seek reimbursement or to obtain payment for the cost of covered
30 services from the eligible applicant or recipient or fails to recall a
31 debt as required by subdivision (d), ~~shall may be subject to~~
32 *punished with* a fine not to exceed three times the amount the
33 provider could otherwise have obtained had the provider billed
34 the Medi-Cal program.

35 ~~(d) Each Medi-Cal provider shall ensure that patient debts that~~
36 ~~are sold or assigned to a third-party collection agency can and will~~
37 ~~be recalled by the provider in the event that the services were~~
38 ~~covered by the Medi-Cal program and that evidence of Medi-Cal~~
39 ~~coverage could have been obtained by the provider.~~

~~(e) If a Medi-Cal provider or third-party collection agency receives proof of Medi-Cal coverage for services rendered and then reports the services rendered to a consumer credit reporting agency or fails to correct a negative credit report regarding the services rendered, the provider or agency shall be deemed to be in violation of subdivision (a) of Section 1785.25 of the Civil Code.~~

(d) If a Medi-Cal provider receives proof of a patient's Medi-Cal eligibility pursuant to this chapter and that provider has referred an unpaid bill for services rendered to the patient to a third-party collection agency, the Medi-Cal provider shall promptly recall the matter from the third-party collection agency and otherwise ensure collection efforts by the third-party collection agency are halted and notify the patient accordingly.

(e) Commencing July 1, 2010, all contracts between a third-party collection agency and a Medi-Cal provider or billing service that works on behalf of a Medi-Cal provider shall include a provision allowing the Medi-Cal provider to immediately recall a debt from collection pursuant to subdivision (d).

(f) If a patient provides proof of Medi-Cal eligibility to a third-party collection agency and the third-party collection agency fails to notify the provider of this proof, the provider shall not be responsible for recalling the debt pursuant to subdivision (d) until either the patient or the third-party collection agency provides the provider with proof of the patient's Medi-Cal eligibility.

~~(f)~~

(g) If a Medi-Cal provider or third-party collection agency receives proof of Medi-Cal coverage for services rendered, the provider or third-party collection agency shall be deemed to be in violation of subdivision (a) of Section 1785.25 of the Civil Code if they do either of the following:

(1) Report the rendering of the Medi-Cal-covered services to a consumer credit reporting agency.

(2) Fail to correct a negative credit report regarding the Medi-Cal-covered services the Medi-Cal provider or third-party collection agency reported to a consumer credit reporting agency.